

The seal of the State of Kansas is partially visible at the top of the page. It features a semi-circular design with the words "AD ASTRA PER ASPERA" and several stars.

KANSAS

DEPARTMENT OF LABOR

*We advance the economic well-being of all Kansans
through responsive workforce services.*

Annual Report 2004

A Year of Change

The Kansas Department of Labor:

- administers Kansas' unemployment insurance program and processes claims for unemployment benefits
- operates the state's workers compensation system
- enforces Kansas employment standards including wage and hour laws and child labor laws
- houses a research unit that compiles critical data on employment in Kansas

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2004 – A Year of Change

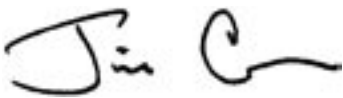
Kansas Department of Labor

This year was marked by major change for the agency. On July 1, 2004, the Kansas Department of Human Resources was re-named the Department of Labor under Executive Reorganization Order 31. Under the Order, Employment and Training programs were transferred to the Kansas Department of Commerce. Additionally, the Kansas Commission on Disability Concerns moved to Commerce. Two other commissions which had been housed here – the Kansas Advisory Committee on Hispanic Affairs and the Kansas African-American Affairs Commission – joined the Governor's Office.

Throughout all of these changes I am proud to say the employees of the agency continued to perform their duties in an exemplary fashion. Information, claims, payments and decisions continued to flow in a timely manner and those using the important services we provide found the changes to be transparent to their interaction with the agency. The pieces of our organization are interlocking. Divisions and units within the Department of Labor are finding strength in mutual efforts and we are reaching out to other state agencies where we can provide support and information.

Our vision for the future is an integrated, customer-focused agency, with centralized operations and communications, working to find ways to provide Kansans with the important workforce services they need. In 2005, a new strategic plan for the agency will be introduced. I am excited about the future at KDOL.

The following pages provide more details on the activities of the Kansas Department of Labor in 2004.



Jim Garner, Secretary

**Additional information
about KDOL is available at
the Web site
www.dol.ks.gov**



KDOL employees join Secretary Garner and Governor Sebelius in celebrating the new agency name on July 1.

Working together toward a common goal

There are many divisions and units within KDOL, but they all work together and support a single mission.



Unemployment Insurance

An insurance program, unemployment benefits provide temporary weekly unemployment checks to qualified unemployed workers.

KDOL determines eligibility for benefits and issues the checks to unemployed workers. Recipients must meet certain eligibility requirements in order to receive unemployment benefits. The agency also is responsible for the collection of state unemployment taxes from employers.

Tax Filing – Late in 2004, the online unemployment tax system expanded to 24-hours a day, seven-days a week rather than just during the regular business day. More than 4,500 of Kansas' 69,500 employers currently use the online filing system to register their business, file quarterly wage reports and unemployment tax returns, and pay state unemployment taxes. Allowing these transactions to take place at any time and providing for electronic payments makes the service more valuable to employers and their accountants.

The new service is available at www.uitax.com.

System Modernization – Work is in progress to revise the Unemployment Insurance (UI) Benefits System. This mission-critical system ensures millions of dollars in benefits are processed to assist unemployed workers throughout the state.

The system maintains information about collections from employers. The programs in use, developed in the 1970s, are no longer efficient to support. Additionally, current staff is not familiar with the archaic system and cannot modify or manage it without problems and errors. Modifications have been made over the years, but changes in one part of the program often cause unpredicted results in another part of the program.

CY 2004 Unemployment at a Glance

Initial Claims	144,479
Continued Claims	1,199,429
Benefit Payments	\$294,440,137
Average weekly benefit amount	\$ 267.27

This translates to significant delays that impact the agency's mission. Simple changes take weeks and more complex changes can take months.

Many other states are facing or have faced a similar challenge with their systems. The approach at KDOL will be to integrate all the UI systems and make it easier for all users to operate.

Ultimately, KDOL will have a system that provides the flexibility and resiliency needed to accommodate the high level of change prevalent within the UI industry while making it easier for all users – internal and external – to work electronically.

The entire project, which was approved in the summer of 2004, will begin in 2005 and require an estimated 36 months to implement.

Overview of Current UI Benefits System

- Processes all types of claims, payments to claimants, appeals, overpayments, employer account charges and associated statistics
- Has 17 interfaces with its major counterpart, the UI Tax System

Workers Compensation

Responsible for the administration of the provisions of the Kansas Workers Compensation Act, the division is fee-funded. Workers Compensation is an insurance plan, paid under the law by employers, to provide employee benefits for job-related injuries, disability or death. Employees who are disabled due to a job-related injury or disease are entitled to:

- Medical expenses to treat injury or illness
- Income benefits to replace part of the wages lost due to disability

In Workers Compensation by the numbers during FY 2004:

Occupational Injuries & Illness Reports	65,894
Applications for Hearings	15,566
Ombudsman Information Contacts	27,502
Requests to Research Section	35,048

EDI – Launched in January, Electronic Data Interchange (EDI) allows transmission of workers compensation claims and/or coverage information from insurers to the state. Insurance carriers, self-insured employers and group-funded insurance pools can stop sending paper forms to KDOL and send the information electronically. Participants also can report their claims data electronically.

Before EDI, accident reports on work-related injuries and illnesses were made on paper and stored on microfilm. Meeting Legislative requirements for additional data triggered the need for a new system that can provide more information than the paper filings.

EDI provides faster reporting of data, is more cost-effective for all participants and assures more accurate data by eliminating data re-entry errors. EDI is a major step toward adopting a paperless business environment.

In the months following its launch, EDI has been well received by Kansas employers and insurers, exceeding expectations. Participation in the Kansas EDI program is voluntary. About one-third of all accident reports are now filed electronically.

Board of Appeals – A pilot mediation program was launched in 2004 to assist claimants and employers in reaching settlements more quickly and easily. The program has reduced the time to complete claims from weeks to days. These settlements eliminate the need for lengthy court judgements.

Industrial Health and Safety – Assuring safe practices in Kansas workplaces is the mission of Industrial Health and Safety (IH&S).

KDOL formed a partnership with the Kansas Department of Administration in 2004 to use the agency's tools and experts to provide testing and sampling inspections to DOA. An expanded agreement with the Kansas Department of Health and Environment will allow KDOL-collected data on injuries to be analyzed by KDHE.

SHARP (Safety and Health Achievement Recognition Program) added three safety-conscious locations in 2004 – Montezuma Manufacturing, Inc., Western Beverage, Dodge City, and the Cross Manufacturing facility in Pratt, bring the total number of facilities in Kansas that have gained this impressive work-place safety recognition to 32. Currently there are 25 sites which are active in the program.

Industrial Safety and Health FY 2004

Private Employers

Consultations Performed	1,534
Hazards Identified	5,635

Public Sector

Inspections Performed	525
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Boiler Safety

Inspections Performed	3,320
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Labor Market Information Services

Statistics about all facets of the labor market and the Kansas workforce is the province of Labor Market Information Services (LMIS). It provides current and historical labor market information about:

- Employment and Unemployment
- Wage statistics
- Labor conditions
- Occupational trends

LMIS provides current employment data, including the unemployment rate for the state, each county and metropolitan area each month.

Workforce decision-making information is found in the *2004 Job Vacancy Survey*, produced statewide for the first time by KDOL. The survey provides a better understanding of the labor demands in Kansas in various job classifications. It assists area businesses in developing their recruitment strategies as well as assisting educational entities in determining necessary training for higher demand jobs. It revealed there were approximately 33,600 job vacancies in the state during the second quarter of 2004. The average job vacancy rate across all occupations in the state was 2.6 percent, or just over two and a half job vacancies for every 100 filled positions.

Persons looking at a new career can discover what they might expect to be paid in the annual *Kansas Wage Survey*. It provides information about wages for a variety of occupations in the state. In addition to job seekers, this can be useful to businesses, educational institutions and career counselors. Businesses can compare their wage levels to those statewide and in four metropolitan statistical areas (Kansas City, Lawrence, Topeka and Wichita).

All LMIS publications are found at www.dol.ks.gov.

Support Services



Providing legal, financial, maintenance, computer technology, personnel and communications support to KDOL are the functions of the divisions within Support Services.

Information

Technology – Heavy reliance on computer technology marks the work of KDOL. In addition to undertaking the UI Modernization Project (see page 2), IT completed several computing infrastructure

improvements during the year. Other changes included a new agency domain (dol.ks.gov) and e-mail addresses, and the personnel and equipment moves resulting from completion of remodeling at the 401 Topeka Blvd. administration building.

Upgrades were completed on the customer relationship management software (Siebel) used by Unemployment Insurance employees across the agency. The system for electronic workers compensation reporting (see EDI, page 3) also was implemented.

America's Job Link Alliance - Technical Support

– Unique among the units within the Kansas Department of Labor is the technical support team for America's Job Link Alliance (AJLA). AJLA-Technical Support's charge is to develop, maintain and market workforce development software used in Kansas and by other states and organizations. Twenty-nine states participate in AJLA. Many are using various software packages developed here.

AJL (America's JobLink) is an Internet-based job matching and workforce information system for both employers and job seekers. Four states use this KDOL system, and others are expected to participate.



Kansas uses

AJL software for operation of www.kansasjoblink.com.

Users of other AJLA-TS products, representing workforce development agencies across the country and the US Department of Labor, provide input and expectations for software improvements to AJLA-TS.

The DART (Data Analysis Reporting Tool) system has 26 states as customers, with three added in 2004. This product provides data manipulating (query building) and reporting capabilities.

Added to AJLA-TS products in 2004, FiscalLink provides case management budget tracking. It coordinates with ServiceLink, which allows interviewers and case managers to track their case loads and report results.

AJLA-TS products reduce costs for users, while providing better access to many types of workforce data and the ability to create necessary reports. AJLA-TS is funded by subscriptions and also receives Federal grants to develop specific enhancements to the systems.

Employment Standards – This office enforces State Labor Laws which regulate wage payments, overtime and minimum wage, child labor laws and private employment agencies. It is part of the Legal Services Division, which has responsibility for all civil litigation for KDOL before administrative agencies, state courts, federal courts and appellate courts.

State and Federal laws require the display of certain posters concerning working conditions. KDOL provides several of these posters that Kansas employers are required to display in the workplace. All the posters are free of charge (both Kansas and Federal) and can be obtained through Employment Standards or at www.dol.ks.gov.

During the year, 1,832 claims for unpaid wages were processed and closed by investigation or by order. A total of \$860,405 was collected and returned to Kansas employees in 2004.

Communications and Marketing – The new agency name and a revised KDOL Internet Web site were both launched on July 1. Please visit the new Web site at www.dol.ks.gov.

The Communications division offers employees at KDOL the opportunity to improve their communication with Spanish-speaking customers. Attendees at KDOL's Workplace Spanish classes discover Spanish speaking clients are more apt to attempt to communicate in English when given the opportunity to also provide information in Spanish. By strengthening the lines of communication, the agency hopes to minimize cultural barriers that may be preventing customers from receiving much

needed services. Students learn “key phrases” used on the job during everyday contact with Spanish speaking individuals.

Workplace Spanish, an extension of the nationally recognized course *Command Spanish*, teaches employees greetings, social niceties and communication strategies by using direct phrases

employees can use right away. The program, which was initiated in early January, is a 16-hour course and is taught by a certified KDOL instructor.

Human Resources – When the Agency ceased to be called “Human Resources” the title reverted to the division previously known as “Personnel.” HR is responsible for managing and directing the agency's human resource programs. A major thrust of work in 2004 was the transfer of approximately 285 staff members and their records to the Commerce Department at mid-year. The transfer was accomplished smoothly while continuing to provide training and support for employee needs.

Twenty-two days of workplace harassment prevention training was provided throughout the year, assuring that all KDOL employees across the state participated. Other training, in areas from stress management to team building, also were held as necessary.

Three KDOL employees graduated from the state-sponsored Certified Public Manager program in 2004. The year-long class instructs managers and potential managers, in all areas of government, about how the system works.

Building and Office Services – Facilities management, purchasing, maintenance, the mail/supply center, the switchboard and graphic design are all part of BOS. As with the other support divisions in KDOL, its year was spent dealing with change. Changes to signs and forms to reflect a new agency name and the transfer of many publications

¡Hola!

In 2004, 58 KDOL employees and 6 other State employees were trained in Workplace Spanish, at a total of six sessions, to better serve the needs of customers.

to the Department of Commerce provided the opportunity to evaluate the necessity of many publications and forms (see box below).

In 2004:

720 unnecessary forms or publications were eliminated

Efficiency measures reduced postage costs more than \$314,000 in FY 2004

Some 4,000 address corrections were made to assure claimants continue to receive their UI benefit checks

Fiscal – The processing and tracking of financial transactions is maintained by the Fiscal division. It coordinates the preparation of KDOL state and federal budgets and prepares federal and internal financial reports.

The move of all training programs to the Department of Commerce was more than just the movement of people. It also transferred the management of certain federal funds. Fiscal provided training to the other agency in these programs and continues to assist in this transition.

State changes in the Central Motor Pool required Fiscal to establish new procedures for managing the vehicles transferred to the agency.

Federal grants provide improvements at lower cost to State

KDOL was awarded three grants from the U.S. Department of Labor to assess current security and develop a security plan for the Unemployment Insurance system. The grants, totaling \$299,000, will help develop a state-of-the-art security plan, provide a security plan assessment and produce a business continuity plan.

These grants provide an opportunity for KDOL to make improvements to account for rapid changes in technology. The federal grants are an opportunity to improve operations through objective assessments from an outside source with expertise in the information technology field.

A security plan assures that the procedures and controls are in place to deal with the quickly

changing technology on the Internet and assure that sensitive information collected is safe. A security assessment looks for system threats and how vulnerable the agency is to those threats. It also seeks cost-effective safeguards.

A business continuity plan assures that operations are ongoing in case of a disaster. It outlines the internal policies and procedures that are to be employed should a disaster occur. In the event of a disaster, all time-sensitive services, systems and applications must be restored and available on a priority basis to maintain vital KDOL operations.

Other grants, received from the U.S. Department of Homeland Security, will help to protect the physical facilities through enhanced access control.



KDOL Employees Care

Kansas Department of Labor employees are involved with their communities and with one another. In addition to the important agency services they support, special events throughout the year helped build team spirit and assisted those less fortunate in our communities. In 2004 in Topeka, \$6,023.27 was raised for Project Topeka, the community food drive, and \$20,128.02 was raised for the United Way campaign.

KDOL Actual Expenditures FY 2004

KDOL	Actual Expenditures \$544,183,103	Percent 100.00%
State General Fund:		
General Administration	30,012	
Native American Affairs*	88,620	
Legal Services	80,739	
Support Services	218,424	
Data Processing	113,049	
African American Affairs*	156,967	
Industrial Safety	186,699	
Employment Services*		
SCSEP	4,444	
OKEP	229,430	
NIYEA	9,878	
Employment Standards	31,026	
PERB	150,352	
Hispanic Affairs*	170,642	
Apprenticeship Training*	123,801	
Disability Concerns*	216,215	
Capital Improvements	18,816	
KSIP – Operating Expenditures	23,596	
Welfare to Work Grant – State Match*	109,045	
Total SGF	\$1,961,755	0.36%
Fee Funded Programs:		
Boiler Inspection	455,563	0.08%
Workers Compensation	8,809,282	1.62%
Federal Funded Programs:		
Employment Security Administration		
Unemployment Insurance	20,049,860	
Job Service (Wagner Peyser)*	7,934,809	
Labor Mrkt Info Coop Agreement	1,036,902	
Disabled Veterans Outreach Program*	729,921	
Local Veterans Employment Program*	624,105	
TRADE Act*	1,329,121	
Kansas JobLink	855,492	
Other	2,757,341	
HRSPF-Federal	1,561,760	
Workforce Investment Act*	22,668,473	
Welfare to Work Grant*	921,095	
OSHA	596,401	
Total Federal	\$61,065,280	11.22%
Unemployment Insurance Benefits (Direct payments to claimants)	\$468,426,209	86.08%
Other Funds:		
America's Job Link Alliance	2,283,918	0.42%
Penalty and Interest Fund	604,613	0.11%
Federal Indirect Offset Fund	317,793	0.06%
Miscellaneous Funds	258,690	0.05%

* In FY 2005, these programs will not be part of the KDOL budget.
The programs have been transferred to other agencies.